

RECYCLING WORKS



PASS IT ON...

2007/2008 ANNUAL REPORT

MANITOBA PRODUCT STEWARDSHIP CORPORATION

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The Manitoba Product Stewardship Corporation (MPSC) was established on January 1, 1995. The MPSC's core mandate as described in Manitoba Regulation 39/95 is:

- A.** to establish and administer a waste reduction and prevention (WRAP) program for designated materials for Manitoba consistent with the principles of sustainable development as set out in Section 1 of the Act;
- B.** to provide for the effective, efficient and economical management of designated waste materials; and
- C.** to administer the fund.

The Multi-Material WRAP Fund shall be used to provide or pay for any or all of the following:

- A.** establishing and administering a waste reduction and prevention program for designated material;
- B.** education programs for the purpose of the waste reduction and prevention program for designated material;
- C.** expenditures incurred in the collection, transportation, storage, processing and disposal of designated material in connection with the waste reduction and prevention program;
- D.** research and development activities related to the management of designated material;
- E.** promotion and development of activities and economic instruments to encourage reduction and prevention of waste-designated material;
- F.** the appropriate disposal of waste designated-material;
- G.** salaries and other costs of the Board and the Fund;
- H.** salaries and other costs of government for the administration and enforcement of the Act and this regulation as they relate to the responsibilities of the Board and the regulations respecting reduction and prevention of waste designated-material.

**Want to know more about
recycling in Manitoba communities
or find out more about MPSC's
business plans and programs?**

**Visit our Website at
www.mpsc.com**

**Over \$ 8.7 million
paid directly
to Manitoba
communities to
support their local
recycling programs
(an increase of
\$895,048 or 11%
from the previous
year).**

MPSC Chair's Message

The Manitoba Product Stewardship Corporation has concluded another successful year in supporting municipal recycling programs and activities in Manitoba in 2007/2008. As Chair of the MPSC, I can point with pride to the following accomplishments over this period:

- Manitobans continue to recycle more of their household packaging and printed material. For the 2007/2008 reporting period recycling volumes have increase by 4,043 tonnes or 6%.
- Over \$ 8.7 million was paid directly to Manitoba communities to support their local recycling programs an increase of \$ 895,048 or 11%.

MPSC is in transition and was advised in 2006 that based on proposed regulations and developed guidelines, MPSC will be replaced by an Industry Funding Organization (IFO) sometime in 2008 or early 2009. As a result of the pending changes MPSC has curtailed most activities and now focuses on municipal recycling programming, cost tracking and preparing for closure/transition.

While these are uncertain times, the staff of MPSC has continued to operate our business in the professional and cost effective manner that has come to define the organization.

MPSC is providing technical support as requested to assist in the evolution to an extended producer responsibility model.

John Clarkson,
Chair

Message du président de la CMGPD

En 2007-2008, la Corporation manitobaine de gestion des produits désignés (CMGPD) a connu un autre exercice couronné de succès dans le soutien aux programmes et aux activités de recyclage au Manitoba. À titre de président de la Corporation, je peux mentionner avec fierté les réalisations suivantes au cours de l'exercice 2007-2008 :

- Les Manitobains continuent d'accroître le recyclage des emballages domestiques et des documents imprimés. Au cours de l'exercice 2007-2008, le volume d'articles recyclés s'est accru de 4 043 tonnes ou de 6 % par rapport à l'exercice antérieur;
- Plus de 8,7 millions de dollars ont été versés directement aux collectivités manitobaines pour soutenir leurs programmes de recyclage locaux, soit une hausse de 895 048 \$ ou de 11 % par rapport à l'exercice antérieur.

La Corporation traverse une période de transition. On lui a indiqué en 2006 qu'en raison des règlements proposés et des lignes directrices élaborées, elle sera remplacée par un organisme de financement industriel (OFI) au cours de 2008 ou au début de 2009. En raison des modifications à venir, la Corporation a mis un frein à la plupart de ses activités et se concentre désormais sur les programmes de recyclage municipaux, le suivi des coûts et la préparation à la fermeture de l'organisme.

Bien que nous traversons une période d'incertitude, le personnel de la Corporation continue d'exercer ses fonctions de la manière professionnelle et rentable qui définit aujourd'hui notre organisme.

Sur demande, la Corporation offre un soutien technique qui participe à l'évolution vers un modèle de responsabilité élargie des producteurs.

John Clarkson
Président

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General Manager's Message

On March 31, 2008, we closed the books on the thirteenth year of operation and accomplishments. The 2007/2008 fiscal year saw a rebound in recycling tonnages collected as well as improved market values for materials sold. Most community recycling programs continued moving forward and growing, as well we welcomed back communities in the Parkland area that had been beset by a failing recycling contractor. For fiscal 2007/2008 material recovery increased by 6.2%. Programming and recovery increased in most regions of the province. Recycling is entrenched in the minds of Manitobans, and no matter what, they want their recycling program and participate enthusiastically.

Recycling in Manitoba has significant economical benefits:

- job creation (private and non-profit) and skills and knowledge development;
- infrastructure expansion, procurement of goods and services (fuel, trucks, equipment, and taxes);
- value from the sale of recyclables and landfill avoidance benefits.

Environmental benefits include extending the life of existing landfills and saving costs in the development and siting of new landfills.

Manufacturers save energy and enjoy reduced raw materials costs by utilizing a consistent supply of recyclables.

Municipal Residential Recycling

Recovery of eligible materials continues to rise, with 68,809 metric tonnes of recyclables collected for recycling or re-use, an increase of 6.2% over 2006/2007. During fiscal 2007/2008, MPSC paid Manitoba municipalities more than \$ 8.7 million in direct recycling support payments an increase of about 11% over 2006/2007. Provided there are no substantive changes to current programming, and with recycling maturing around the province, we expect growth to be normalized at single digit increases annually.

Other MPSC Programming

MPSC communicates with our varied stakeholders in many ways, but as we are in wind-down mode some communication tools have fallen by the way side. We no longer update www.virtualrecycling.com as school environmental education programming is now under the auspices of Manitoba Education and Green Manitoba. MPSC also stopped offering annual workshops due in part to a reduced staff compliment but mostly because MPSC will disappear from the landscape in the next 12-18 months and will be replaced by an Industry Funding Organization that is part of a new provincial direction for the stewardship of packaging and printed materials.

Communication tools include:

- Our corporate website www.mpsc.com is updated regularly with facts and reports.
- Newsletters are produced and distributed once or twice a year.
- A monthly bulletin is distributed via email to municipalities and recyclers.
- Recycled material fact sheets are updated and available for municipalities.
- Feedback regarding individual municipal recycling success is communicated through annual Community Recycling Report Cards.
- Toll-free assistance is available.

Marketing and Technical Support

The tools and funding that MPSC provides ensure that there is no reason that a community cannot have a cost-effective and successful recycling program. We provide one-on-one technical support and develop technical bulletins and fact sheets. Cost monitoring work ensures we keep abreast of recycling cost trends. Revenue monitoring allows us to track the value of recyclables marketed.

Managing Financial Resources

As stated in the MPSC 2001/2002 Annual Report, we continue to draw down our reserve funds. MPSC has streamlined and eliminated support for other programming which ensures our core funding programs remain sustainable.

Where from here?

In December 2003 the Efficiency Manitoba (EM) initiative was announced by the Province of Manitoba and tasked with developing a new provincial vision for energy, water, demand-side management, and waste reduction. Since that time, Green Manitoba has been created as a Special Operating Agency under the department of Science, Technology, Energy and Mines. Green Manitoba has been assigned the task of developing options for industry operated expanded producer responsibility programming for tires, packaging and printed paper, waste electronics, household hazardous waste and paint.

The past thirteen years has seen unprecedented and unimagined growth in community recycling programming. The total number of tonnes diverted from landfill has far outstripped the projections developed in the mid 1990's. There is no disputing that MPSC's multi-material approach works and is cost effective and efficient.

As instructed by the MPSC Board of Directors, MPSC is to concentrate on 3 priorities.

- Continuing current MPSC Municipal funding system and programming
- Continue to track Municipal program costs and revenues
- Prepare for the closure of MPSC

The total number of tonnes diverted from landfill has far outstripped the projections developed in the mid 1990's. There is no disputing that MPSC's multi-material approach works and is cost effective and efficient.

MPSC has demonstrated fiscal responsibility in managing reserve funds in the early years, allowing support for growth as programs matured. Drawing on reserves has ensured programs could operate while a model is developed for establishing the next iteration of packaging and printed paper stewardship.

The timing for the implementation of the new provincial vision has yet to be confirmed, but it is expected to be late 2008, or early-mid 2009.

Once the Industry Funding Organization (IFO) has been established, applicable MPSC programming will be transitioned to the IFO and MPSC will cease operation. In the meantime MPSC has produced a one year business plan taking us through March 31, 2009.

As we continue to await further developments from Green Manitoba and the Province we operate our business in the manner that has earned MPSC staff broad-based stakeholder endorsement for delivering a model for effective and efficient administration of recycling initiatives.

Jim Fogg
General Manager

Message du directeur général

Le 31 mars 2008 marquait la fin de la treizième année d'activité et de réussite de la Corporation manitobaine de gestion des produits désignés (CMGPD). L'exercice 2007-2008 a été témoin d'une reprise du volume de matières recyclables collectées et de la hausse de la valeur marchande des matières recyclées vendues. La plupart des programmes recyclage communautaire ont continué d'aller de l'avant et de croître et nous avons accueilli de nouveau les collectivités de la région des Parcs qui avaient connu des difficultés en raison de l'échec d'un entrepreneur en recyclage local. En 2007-2008, la récupération des matières recyclables s'est accrue de 6,2 %. Les programmes et la récupération ont connu une augmentation dans la plupart des régions de la province. Le recyclage est bien enraciné dans l'esprit des Manitobains et, quoi qu'il arrive, ces derniers veulent leurs programmes de recyclage et y participent avec enthousiasme.

Au Manitoba, le recyclage offre des avantages économiques importants :

- création d'emplois dans des entreprises à but lucratif et sans but lucratif, et acquisition de compétences et de connaissances;
- expansion des infrastructures; achat de biens et de services (carburant, camions, matériel, taxes);
- valeur des ventes des matières recyclables et de la réduction des déchets mis en décharge.

Les avantages pour l'environnement comprennent la prolongation de la durée de vie des décharges existantes et les économies de coûts sur le plan du développement et du choix du site des nouvelles décharges.

Les fabricants économisent de l'énergie et profitent de la réduction du coût de leurs matières premières en ayant recours à un approvisionnement constant en matières recyclées.

Recyclage résidentiel municipal

En 2007-2008, la récupération des matériaux admissibles a continué de s'accroître pour atteindre 68 809 tonnes métriques de matières recyclables recueillies pour le recyclage ou la réutilisation, soit une hausse de 6,2 % par rapport à l'exercice 2006-2007. En 2007-2008, la Corporation a versé aux municipalités manitobaines plus de 8,7 millions de dollars en paiements de soutien directs au recyclage, soit une hausse de 11 % par rapport à 2006-2007. Étant donné que le recyclage arrive à maturité dans la province, si aucune modification n'est apportée à la programmation actuelle, nous prévoyons que la croissance sera normalisée à des hausses annuelles de moins de 10 %.

Le nombre total de tonnes de matériaux valorisés a dépassé de beaucoup les prévisions élaborées au milieu des années 1990. On ne peut contester que l'approche du recyclage de matériaux multiples de la Corporation fonctionne et qu'elle est efficace et économique.

Autres programmes de la Corporation

La Corporation communique avec les intervenants du secteur de diverses manières, mais certains outils de communication ont été abandonnés parce que la Corporation se prépare à cesser ses activités. Nous ne mettons plus à date le site www.virtualrecycling.com, car les programmes d'éducation environnementale pour les écoles ont été pris en charge par Éducation Manitoba et le Bureau des solutions écologiques pour un Manitoba vert. La Corporation a également cessé d'offrir des ateliers annuels en raison, en partie, à la réduction de son personnel, mais principalement parce que l'organisme disparaîtra de la scène aux cours des douze à dix-huit prochains mois et qu'il sera remplacé par un organisme de financement industriel, dont la création fait partie d'une nouvelle orientation provinciale en matière de gestion des imprimés et des emballages.

Les outils de communication de la Corporation sont les suivants :

- elle met périodiquement à jour son site Web www.mpsc.com en postant des faits et des rapports;
- elle produit et distribue des bulletins d'information sur une base semestrielle ou annuelle;
- elle distribue par courriel un bulletin mensuel aux municipalités et aux entreprises de recyclage;
- elle produit des fiches de renseignements sur le recyclage à jour pour les municipalités;
- elle distribue annuellement des rapports sommaires sur le recyclage communautaire pour faire connaître la rétroaction aux réussites des programmes de recyclage municipaux;
- elle offre une aide téléphonique gratuite.

Commercialisation et soutien technique

Les outils de promotion, le financement et le soutien technique offerts par la Corporation veillent à ce qu'aucun motif n'empêche une collectivité de mettre en place un programme de recyclage rentable et couronné de succès. La Corporation offre un soutien technique individuel et prépare des bulletins techniques et des fiches de renseignements. Le contrôle des coûts nous permet de nous tenir au courant des tendances des coûts du recyclage, tandis que le contrôle des recettes nous permet d'assurer le suivi de la valeur des matières recyclables commercialisées.

Gestion des ressources financières

Comme nous l'indiquions dans le rapport annuel de la Corporation pour l'exercice 2001-2002, nous continuons de réduire nos fonds de réserve. Nous avons rationalisé nos coûts et éliminé le soutien offert à certains programmes afin de veiller à la viabilité continue de nos programmes de base.

Quel est l'avenir?

En décembre 2003, le gouvernement provincial a annoncé le lancement de l'initiative Efficacité Manitoba qui avait pour but l'élaboration d'une nouvelle vision provinciale en matière de conservation de l'énergie et de l'eau, de gestion axée sur la demande et de réduction des déchets. Depuis, le gouvernement a créé un organisme de service spécial, le Bureau des solutions écologiques pour un Manitoba vert, qui relève du ministère de l'Énergie, des Sciences et de la Technologie. L'organisme a reçu la tâche d'élaborer des programmes de responsabilité élargie des producteurs administrés par l'industrie qui viseraient les pneus, le papier imprimé et les emballages, ainsi que les déchets électroniques, les déchets domestiques dangereux et la peinture.

Au cours des treize dernières années, nous avons été témoins d'une croissance inimaginable et sans précédent des programmes de recyclage communautaires. Le nombre total de tonnes de matériaux valorisés a dépassé de beaucoup les prévisions élaborées au milieu des années 1990. On ne peut contester que l'approche du recyclage de matériaux multiples de la Corporation fonctionne et qu'elle est efficace et économique.

Le conseil d'administration de la Corporation a établi les trois priorités suivantes pour l'organisme :

- maintenir le système de financement des municipalités et la programmation actuels de la Corporation;
- continuer d'assurer le suivi des coûts et des recettes des programmes municipaux;
- préparer la fin des activités de la Corporation.

Le moment de la mise en œuvre de la nouvelle vision provinciale doit être confirmé, mais nous prévoyons qu'elle aura lieu vers la fin de 2008 ou au début de 2009. Après l'établissement de l'organisme de financement industriel (OFI), les programmes pertinents de la Corporation seront transférés à l'OFI et cette dernière cessera ses activités. Entre temps, la Corporation a élaboré un plan d'activité d'un an, qui la mènera au 31 mars 2009.

En attendant les futures initiatives du Bureau des solutions écologiques pour un Manitoba vert et du gouvernement provincial, nous continuerons d'exercer nos fonctions d'une manière qui a permis au personnel de la Corporation d'obtenir un large soutien des intervenants du secteur pour son modèle d'administration efficace des initiatives de recyclage.

Jim Fogg

Directeur général

**La Corporation
a fait preuve de
responsabilité
financière en
gérant le fonds de
réserve au cours
de ses premières
années d'existence
et en soutenant la
croissance au fur et à
mesure de l'évolution
des programmes.
Le recours au fonds
de réserve a permis
la mise en œuvre
des programmes,
tout en élaborant
un modèle pour
définir et établir les
projets de gestion
du papier imprimé
et des emballages
de la deuxième
génération.**

Municipal Programs

The Multi-Material WRAP Fund shall be used to provide or pay for the following:

- the establishment and administration of a waste reduction and prevention program for designated material;
- expenditures incurred in the collection, transportation, storage, processing and disposal of designated material in connection with the waste reduction and prevention program;
- the appropriate disposal of waste-designated material;



A Message from the Manager

The original objective of the Manitoba Product Stewardship program was simple...it was designed to promote the expansion of Manitoba's recycling services for packaging and printed materials. It wasn't intended to influence aluminum mining practices in Bolivia, nor was it intended to reduce organic waste, hazardous wastes or any other wastes municipalities contend with.

The results, as they say, speak for themselves. After its thirteenth year of operation, the Municipal Programs component of the MPSC remains very much a stabilizing force that allows communities to confidently move forward and refine their local recycling programs.

The pages that follow show that over the thirteen years that MPSC has been on the job, recycling in Manitoba has evolved into a comprehensive, province-wide infrastructure that boasts over 200 community recycling programs and last year recycled over 68,800 metric tonnes of packaging and printed material. Clearly, MPSC's "community-based" approach, has paid tremendous environmental and economic dividends for Manitoba's recycling efforts.

As we head into our 14th year of operation, we find ourselves still waiting for a decision from the province's policy makers on the next phase in packaging and printed material stewardship. Our instructions at this time are simply to *maintain existing programs* as best we can in anticipation of the new provincial system. After a dozen years of driving a vibrant, proactive and very entrepreneurial joint effort with our partner communities, we now switch gears and take on a "holding the fort" mentality. It's not something we relish, I can assure you but we will continue to do our part to ensure the ongoing viability of a system that has been highly successful in achieving the original objectives it was given.

On behalf of my MPSC colleagues, I want to thank the residents, volunteers and leaders of our community recycling programs as well as all of the dedicated municipal staff and recycling workers for another successful year and encourage you to continue to lead your communities towards a greener future!

Mike Fernandes,
Senior Manager,
Municipal Programs, MPSC

**Clearly, MPSC's
"community-based"
approach, has
paid tremendous
environmental
and economic
dividends for
Manitoba's
recycling efforts.**

Did You? Know?

68,809 metric tonnes

= 68,809,000 kilograms

= 151,696,000 pounds

That is 61.9 kgs (approximately 136 pounds) of packaging and printed material recycled per Manitoban last year just through MPSC-funded local recycling programs! This does not include the recycling of non-MPSC materials, nor the recycling of aluminum, metal and plastic containers directly delivered to brokers by individuals or charitable organizations.

Recovery of Eligible Materials

In MPSC's 2007/2008 fiscal year (April 1, 2007 – March 31, 2008), Manitobans recycled 68,809 metric tonnes of packaging and printed material through MPSC-funded local community recycling programs.

This represents an overall increase in reported recovery of approximately 4,043 metric tonnes compared to the previous fiscal year.

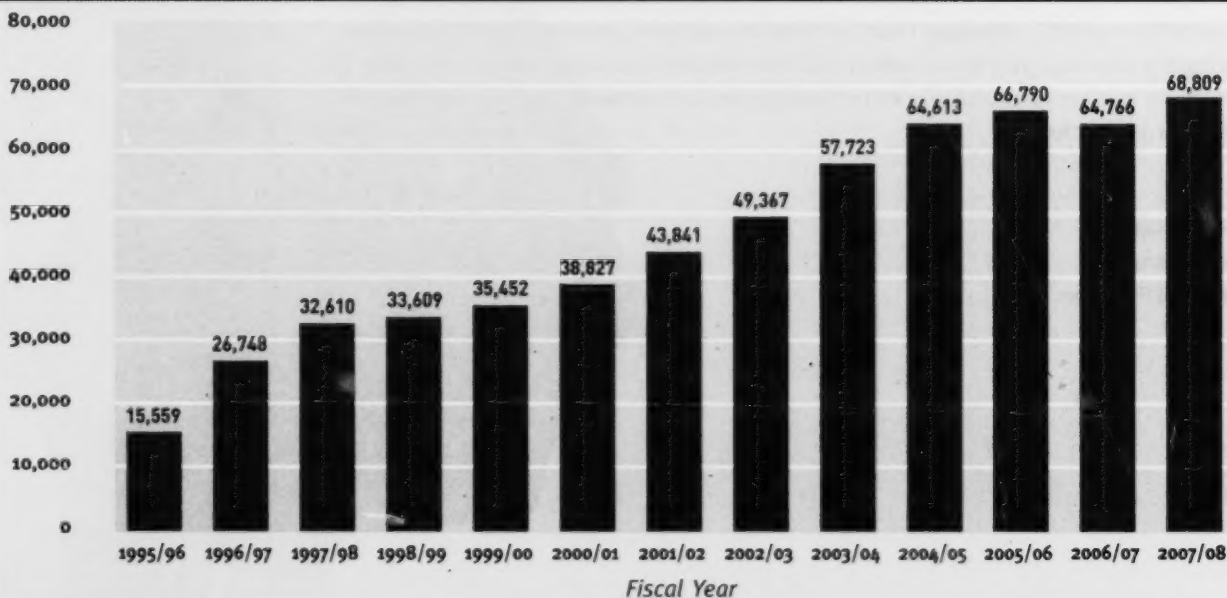
600,413,382
KILOGRAMS

This is how much eligible household material has been recycled since 1995 with funding support from the MPSC!

Go to www.mpsc.com for details

Updated quarterly. Last update 03/2008

Chart 1 — Recovery of Residential Materials in Metric Tonnes

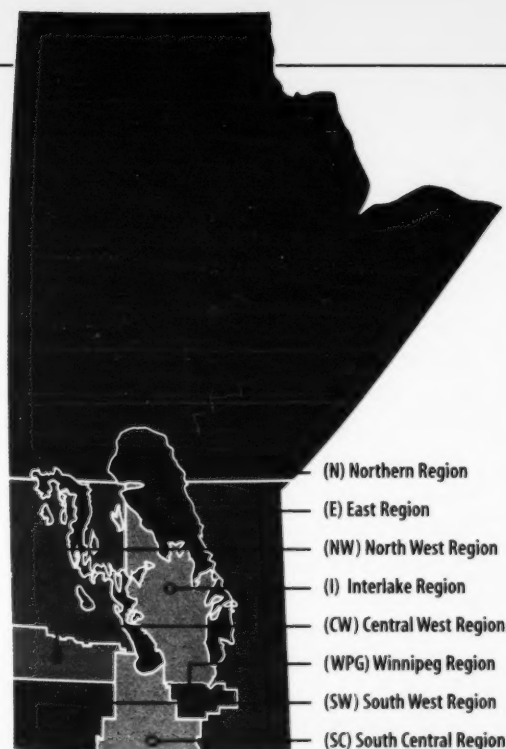


Municipal Recycling in Manitoba: MPSC Regions

MPSC provides financial and technical support to recycling programs operated by Manitoba communities, including: registered municipalities, provincial and federal parks, First Nations and Northern Affairs communities.

Manitoba communities participate in the MPSC funding program on a voluntary basis –communities are **not** required by law to have recycling programs. With technical and financial support from the MPSC, Manitoba communities establish, operate, promote and expand their own recycling programs. From MPSC's inception in 1995 to current day, Manitoba communities have recycled almost 1.32 billion pounds of household materials!

Over 200 communities participate in MPSC's recycling programs. Aside from the funding and technical support provided by MPSC, it is the communities own initiative that has been the driving force behind the level of recycling activity in each region. The table below outlines the number of Manitobans that participate in the program along with total kilograms recycled in each region.



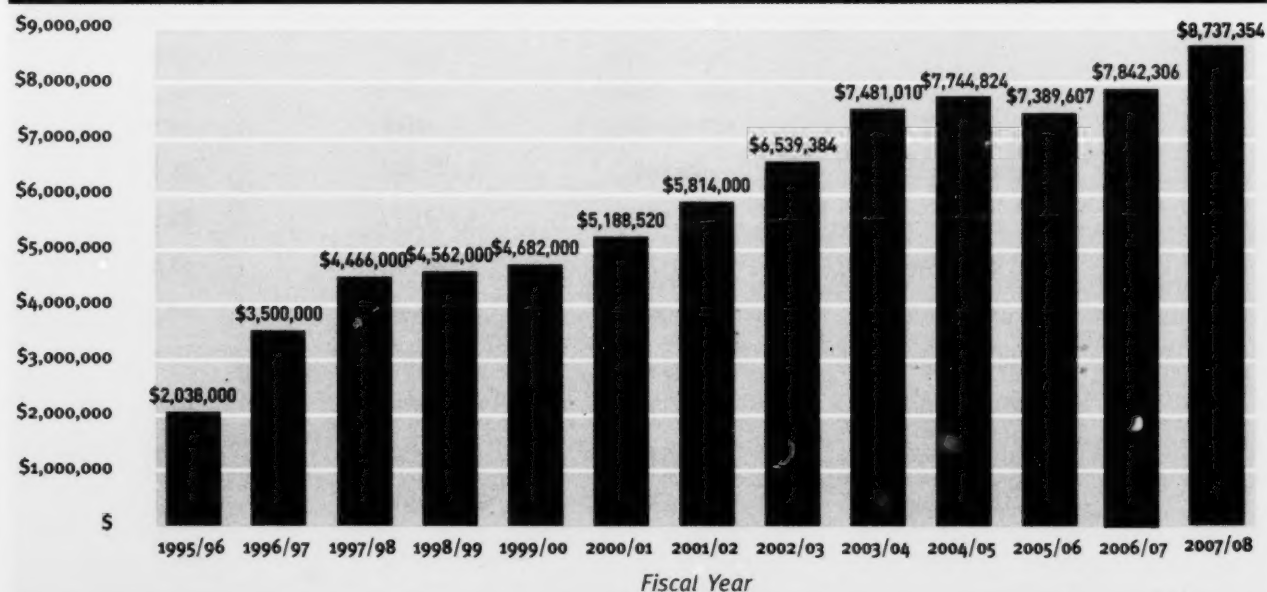
Note: Not all materials recycled through Manitoba community recycling programs are eligible for MPSC recycling support payments (e.g. corrugated cardboard from commercial establishments).

Chart 2 —
Summary By Region

	Population in participating communities	Total kilograms recycled	Average kgs recycled per person
Central West	26,144	1,441,363	55.1
East	79,694	5,567,772	69.9
Interlake	64,378	3,280,756	51.0
North	42,757	1,756,659	41.1
North West	41,262	1,621,867	39.3
South Central	81,718	5,651,151	69.2
South West	88,119	4,318,268	49.0
Winnipeg	687,657	45,170,834	65.7
Total	1,111,729	68,808,670	61.9

Under the MPSC system, participating communities and/or their recycling agents keep all the revenue from selling recyclables to brokers and/or end users. Based on market revenue information submitted to MPSC, this resulted in additional revenues of up to \$90 per metric tonne recycled, depending on the community. For Manitoba communities there is an economic benefit to keeping these materials out of local landfills (also called the "avoided cost of disposal"). Not only are there environmental benefits from recycling, there are also economic benefits!

Chart 3 — Municipal Recycling Support Payments



Municipal Recycling Support Payments

MPSC funds municipal recycling programs through an incentive-based system. Communities are paid a fixed rate (see chart below) for every metric tonne of eligible material (see chart on page 21 for list of eligible materials) recycled by their residents through registered recycling programs.

MPSC analyzes funding rates on an annual basis and changes the rates accordingly. These rates are expected to fluctuate year to year due to the dynamic nature of the recycling market. For more information on how MPSC calculates funding rates, see our website at www.mpsc.com.

2007/2008 funding rates per metric tonne

Group	Rates
City of Winnipeg	\$118 per tonne
City of Brandon	\$128 per tonne
Communities with populations between 5,001 and 15,000	\$151 per tonne
Communities with populations between 1,001 and 5,000	\$162 per tonne
Communities with populations between 0 and 1,000	\$187 per tonne

MPSC paid participating municipalities over \$8.74 million in direct support payments. The table on the next few pages shows how the \$8.74 million was distributed to each participating community in the province.

Summary of MPSC Payments and Tonnes Recycled by Participating Community

MUNICIPALITY	REGION	POPULATION	07-08 FUNDING RATE	TOTAL MPSC PAYMENTS RECEIVED BY COMMUNITY IN 07-08	TOTAL TONNES RECYCLED IN 07-08
Alexander, RM	East	2,978	\$162	\$23,814	147.00
Altona, Town	South Central	3,709	\$162	\$41,487	365.71
Arborg, Town	Interlake	1,021	\$162	\$6,664	70.74
Argyle, RM	South Central	1,073	\$162	\$ 2,278	14.06
Armstrong, R.M.	Interlake	1,919	\$162	\$5,170	31.91
Arthur, R.M.	South West	440	\$187	\$3,627	19.62
Beausejour, Town	East	2,823	\$162	\$28,759	218.86
Benito, Village	North West	370	\$187	\$2,995	22.36
Berens River First Nation	East	739	\$187	-	no claims rec'd
Bifrost, R.M.	Interlake	2,972	\$162	\$19,397	205.90
Binscarth, Village	Central West	395	\$187	\$2,601	28.92
Birtle, RM	Central West	666	\$187	\$ 1,926	10.30
Birtle, Town	Central West	662	\$187	\$1,914	10.24
Blanshard, RM	Central West	586	\$187	\$3,218	17.21
Boissevain, Town	South West	1,497	\$162	\$17,442	135.00
Bowsman, Village	North West	315	\$187	2,802	17.82
Brandon, City	South West	41,511	\$128	\$301,754	2,303.25
Brenda, RM	South West	549	\$187	\$1,674	8.95
Brokenhead, R.M.	East	3,940	\$162	\$40,141	305.48
Buffalo Point First Nation	East	141	\$187	\$ 3,279	19.43
Cameron, R.M.	South West	433	\$187	\$3,150	16.85
Canupawakapa Dakota N (Oak Lake)	South West	295	\$187	-	no claims rec'd
Carberry, Town	South West	1,502	\$162	\$15,740	138.50
Carman, Town	South Central	2,880	\$162	\$32,158	198.51
Cartier, R.M.	Winnipeg	3,162	\$162	\$16,777	102.36
Cartwright, Village	South Central	282	\$187	\$2,449	13.09
Churchill, Town	North	923	\$187	-	no claims rec'd
Clanwilliam, R.M.	Central West	494	\$187	\$ 1,646	11.64
Coldwell, R.M.	Interlake	1,339	\$162	\$11,358	70.11
Cornwallis, RM	South West	4,058	\$162	\$18,267	123.83
Crystal City, Village	South Central	400	\$187	\$16,224	98.36
Dauphin, City	North West	7,906	\$151	\$95,861	670.76
Dauphin, RM	North West	2,273	\$162	\$17,095	105.52
De Salaberry, R.M.	East	3,349	\$162	\$25,394	171.59
Deloraine, Town	South West	977	\$187	\$10,384	55.53
Duck Mountain Provincial Park	North West	999	\$187	\$ 5	0.04
Dufferin, R.M.	South Central	2,199	\$162	\$ 1,427	8.81
Dunnottar, Village	Interlake	692	\$187	\$ 4,477	24.16
East St. Paul, R.M.	Winnipeg	8,733	\$151	\$107,809	708.75
Edward, R.M.	South West	621	\$187	\$1,213	6.49
Elkhorn, Village	South West	461	\$187	\$9,424	59.71
Ellice, R.M.	Central West	423	\$187	\$ 366	1.96
Elton, RM	South West	1,285	\$162	\$4,014	37.29
Emerson, Town	South Central	689	\$187	\$ 6,372	34.47
Erickson, Town	Central West	456	\$187	\$ 1,520	10.75
Eriksdale, R.M.	Interlake	911	\$187	\$ 8,920	47.70
Ethelbert, RM	North West	383	\$187	\$1,160	8.08
Ethelbert, Village	North West	312	\$187	\$3,013	16.11

Want to know more
about recycling
in Manitoba
communities or
find out more about
MPSC's business
plans and programs?
Visit our Website at
www.mpsc.com

Did You? Know

Since 1995 participating Manitoba communities have received over \$76 million from MPSC to support local recycling.

REGISTERED COMMUNITY	REGION	POPULATION	07-08 FUNDING RATE	TOTAL MPSC PAYMENTS RECEIVED BY COMMUNITY IN 07-08	TOTAL TONNES RECYCLED IN 07-08
Falcon Lake/Westhawk	East	300	\$187	\$25,115	149.19
Fisher, RM	Interlake	1,944	\$162	\$53,990	333.27
Flin Flon, City	North	5,594	\$151	\$42,756	422.94
Franklin, R.M.	East	1,768	\$162	\$13,994	92.84
Gilbert Plains, RM	North West	834	\$187	\$1,474	7.88
Gilbert Plains, Town	North West	760	\$187	\$7,489	40.05
Gillam, Town	North	1,209	\$162	\$5,774	52.97
Gimli, R.M.	Interlake	5,797	\$151	\$55,697	369.44
Gladstone, Town	South Central	802	\$187	\$13,852	76.28
Glenboro, Village	South West	633	\$187	\$15,781	84.39
Glenella, RM	Central West	517	\$187	-	no claims rec'd
Glenwood, R.M.	South West	640	\$187	\$7,855	50.45
Grahamdale, RM	Interlake	1,416	\$162	\$5,902	38.06
Grand Beach Provincial Park	East	500	\$187	-	no claims rec'd
Grand Rapids, Town	North	336	\$187	-	no claims rec'd
Grandview, RM	North West	736	\$187	\$5,402	28.89
Grandview, Town	North West	839	\$187	\$6,158	32.93
Gretna, Town	South Central	574	\$187	\$7,858	47.07
Grey, R.M.	South Central	2,004	\$162	\$12,209	80.43
Hamiota, RM	Central West	437	\$187	\$5,419	31.91
Hamiota, Town	Central West	823	\$187	\$10,206	60.10
Hanover, R.M.	East	11,871	\$151	\$87,538	719.14
Harrison, R.M.	Central West	812	\$187	\$7,515	40.19
Hartney, Town	South West	400	\$187	\$2,910	15.56
Headingley, RM	Winnipeg	2,726	\$162	\$26,484	163.48
Hecla Grindstone Provincial Park	Interlake	400	\$187	\$8,082	43.71
Kelsey, R.M.	North	2,453	\$162	\$7,057	66.30
Killarney - Turtle Mountain	South West	3,299	\$162	\$23,971	240.78
La Broquerie, R.M.	East	3,659	\$162	\$31,762	242.20
Lac Brochet First Nation	North	604	\$187	-	no claims rec'd
Lac du Bonnet, RM	East	2,812	\$162	\$33,359	205.92
Lac du Bonnet, Town	East	1,009	\$162	\$14,930	92.16
Lake St. Martin First Nation	Interlake	1,338	\$162	-	no claims rec'd
Lakeview, R.M.	South Central	342	\$187	\$1,741	9.31
Langford, RM	Central West	787	\$187	\$14,171	75.78
Lansdowne, R.M.	Central West	750	\$187	\$3,015	16.12
Lawrence, R.M.	North West	501	\$187	\$1,351	7.23
Leaf Rapids, Town	North	539	\$187	\$1,960	8.82
Lorne, R.M.	South Central	2,003	\$162	\$10,757	75.51
Louise, R.M.	South Central	819	\$187	\$4,576	27.74
MacDonald, R.M.	Winnipeg	5,653	\$151	\$36,785	241.61
MacGregor, Town	South Central	921	\$187	-	no claims rec'd
Manitou, Town	South Central	718	\$187	\$6,031	34.00
Moose Lake	East	90	\$187	\$2,320	14.18
McCreary, RM	Central West	476	\$187	\$2,451	13.11
McCreary, Village	Central West	487	\$187	\$2,508	13.41
Melita, Town	South West	1,051	\$162	\$7,395	46.86
Miniota, RM	Central West	904	\$187	\$5,002	26.75
Minitonas, Town	North West	497	\$187	\$5,310	36.19
Minnedosa, Town	Central West	2,474	\$162	\$42,114	259.96
Minto, R.M.	Central West	667	\$187	-	no claims rec'd
Montcalm, RM	South Central	1,317	\$162	\$10,641	69.67
Morden, Town	South Central	6,571	\$151	\$70,770	1,426.62

REGISTERED COMMUNITY	REGION	POPULATION	07-08 FUNDING RATE	TOTAL MPSC PAYMENTS RECEIVED BY COMMUNITY IN 07-08	TOTAL TONNES RECYCLED IN 07-08
Morris, Town	South Central	1,643	\$162	\$12,756	83.71
Morton, R.M.	South West	718	\$187	\$10,499	64.77
Mossey River, RM	North West	614	\$187	\$374	2.00
Mountain, R.M.	North West	1,336	\$162	\$2,430	22.24
Neepawa, Town	Central West	3,298	\$162	\$53,782	331.99
Nisichawayasihk Cree Nation	North	2,484	\$162	-	no claims rec'd
Niverville, Town	East	2,464	\$162	\$46,265	355.30
North Cypress, RM	South West	1,902	\$162	\$ 7,510	66.09
North Norfolk, R.M.	South Central	2,742	\$162	\$21,753	157.17
Norway Hse (Norway House C.N.)	North	4,071	\$162	-	no claims rec'd
Notre Dame de Lourdes, Village	South Central	589	\$187	\$ 8,701	46.53
Oak Lake, Town	South West	363	\$187	\$1,072	5.73
Oakland, R.M.	South West	1,033	\$162	\$5,220	32.23
Ochre River, R.M.	North West	929	\$187	\$7,267	38.86
Odanah, R.M.	Central West	540	\$187	-	no claims rec'd
Opaskwayak Cree Nation	North	2,578	\$162	\$7,364	69.18
Paint Lake	North	275	\$187	\$1,825	8.34
Park, R.M.	Central West	1,291	\$162	\$3,429	30.42
Peguis First Nation	Interlake	2,513	\$162	-	no claims rec'd
Pembina, R.M.	South Central	1,712	\$162	\$11,826	81.07
Pilot Mound, Town	South Central	630	\$187	\$4,168	22.29
Pinawa, L.G.D.	East	1,450	\$162	\$18,590	122.54
Piney, R.M.	East	1,755	\$162	\$10,390	79.47
Pipestone, RM	South West	1,419	\$162	\$14,781	93.34
Plum Coulee, Town	South Central	770	\$187	\$6,359	34.44
Portage la Prairie, City	South Central	12,728	\$151	\$166,525	1,077.25
Portage La Prairie, R.M.	South Central	6,793	\$151	\$54,767	362.69
Powerview - Pine Falls	East	1,294	\$162	\$12,641	107.74
Rapid City, Town	Central West	416	\$187	\$5,443	29.11
Reynolds, R.M.	East	1,410	\$162	\$19,333	141.33
Rhineland, RM	South Central	4,125	\$162	\$9,395	70.60
Riding Mountain National Park	Central West	300	\$187	\$1,000	7.07
Ritchot, R.M.	Winnipeg	5,051	\$151	\$33,237	217.81
Rivers, Town	South West	1,193	\$162	\$7,789	48.08
Riverside, RM	South West	809	\$187	\$468	2.50
Riverton, Village	Interlake	537	\$187	\$4,396	37.19
Roblin, R.M.	South Central	964	\$187	\$3,673	19.64
Roblin, Town	North West	1,672	\$162	\$19,055	117.62
Rockwood, R.M.	Interlake	7,692	\$151	\$17,281	115.01
Roland, RM	South Central	1,002	\$162	\$5,810	36.35
Rolling River First Nation	Central West	336	\$187	-	no claims rec'd
Rosedale, RM	Central West	1,658	\$162	\$9,202	56.80
Rosburn, R.M.	Central West	514	\$187	\$2,446	13.08
Rosburn, Town	Central West	546	\$187	\$2,598	13.89
Rosser, R.M.	Winnipeg	1,364	\$162	\$3,916	33.84
Russell, RM	Central West	661	\$187	\$4,352	48.40
Russell, Town	Central West	1,428	\$162	\$7,494	104.56
Sagkeeng F N (Fort Alexander)	East	2,121	\$162	-	no claims rec'd
Selkirk, City	Interlake	9,515	\$151	\$115,049	907.15
Shoal Lake, R.M.	Central West	555	\$187	\$9,965	59.06
Shoal Lake, Town	Central West	680	\$187	\$12,209	72.36
Sifton, RM	South West	796	\$187	\$2,352	12.58

**Participation
by Manitoba
communities in
the MPSC funding
program is, and
has always been,
voluntary – Manitoba
communities are
not required by
regulation to have
recycling programs.
The communities
themselves, along
with the support
of the MPSC have
created and grown
recycling programs
from their infancy 13
years ago, to mature
well-established
programs today.**

**Want to see any of
the recycling report
cards for these
communities?**

**Go to www.mpsc.com,
click on MB Recycles
and find the
community.**

MUNICIPALITY	REGION	POPULATION	07-08 FUNDING RATE	TOTAL MPSC PAYMENTS RECEIVED BY COMMUNITY IN 07-08	TOTAL TONNES RECYCLED IN 07-08
Siglunes, R.M.	Interlake	1,480	\$162	-	no claims rec'd
Snow Lake, Town	North	837	\$187	\$7,780	46.79
Somerset, Village	South Central	432	\$187	\$8,696	46.50
Souris, Town	South West	1,772	\$162	\$17,337	139.71
South Cypress, R.M.	South West	834	\$187	\$831	4.44
South Norfolk, R.M.	South Central	1,170	\$162	\$2,175	13.42
Split Lake (Tataskweyak C.N.)	North	1,819	\$162	-	no claims rec'd
Springfield, R.M.	Winnipeg	12,990	\$151	\$68,066	429.86
St. Andrews, R.M.	Interlake	11,359	\$151	\$67,293	544.54
St. Claude, Village	South Central	588	\$187	\$13,049	69.78
St. Clements, R.M.	East	9,706	\$151	\$20,867	138.19
St. François-Xavier, R.M.	Winnipeg	1,087	\$162	\$9,408	58.07
St. Laurent, R.M.	Interlake	1,454	\$162	\$1,262	7.79
St. Lazare, Village	Central West	265	\$187	\$229	1.23
St. Pierre-Jolys, Village	East	839	\$187	\$8,160	44.31
Stanley, R.M.	South Central	6,367	\$151	-	no claims rec'd
Ste. Anne, R.M.	East	4,509	\$162	\$2,720	20.96
Ste. Anne, Town	East	1,534	\$162	\$25,679	195.06
Ste. Rose du Lac, Town	North West	995	\$187	\$10,721	57.33
Ste. Rose, RM	North West	791	\$187	\$1,169	6.25
Steinbach, City	East	11,066	\$151	\$202,208	1,661.04
Stonewall, Town	Interlake	4,376	\$162	\$31,441	194.08
Strathclair, RM	Central West	840	\$187	\$8,422	45.04
Strathcona, R.M.	South West	727	\$187	\$2,227	11.91
Stuartburn, R.M.	East	1,629	\$162	\$13,080	100.98
Swan River, R.M.	North West	2,784	\$162	\$4,658	42.12
Swan River, Town	North West	3,859	\$162	\$38,273	318.33
Tache, R.M.	Winnipeg	9,083	\$151	\$56,846	411.36
Teulon, Town	Interlake	1,124	\$162	\$8,152	50.32
The Pas, Town	North	5,589	\$151	\$21,232	152.78
Thompson, City	North	13,446	\$151	\$96,635	928.53
Thompson, R.M.	South Central	1,259	\$162	\$4,427	27.33
Treherne, Town	South Central	646	\$187	\$11,266	60.25
Victoria Beach, RM	East	388	\$187	\$11,623	62.16
Victoria, R.M.	South Central	1,149	\$162	\$10,845	66.94
Virden, Town	South West	3,010	\$162	\$38,053	267.95
Wallace, R.M.	South West	1,501	\$162	\$18,973	133.59
Waskada, Village	South West	199	\$187	\$607	3.24
Wawanesa, Village	South West	535	\$187	\$8,477	45.33
West St. Paul, R.M.	Winnipeg	4,357	\$162	\$44,202	272.85
Whitehead, RM	South West	1,402	\$162	\$4,337	26.77
Whitemouth, R.M.	East	1,480	\$162	\$20,292	148.34
Whiteshell Provincial Park	East	570	\$187	\$2,258	12.37
Whitewater, R.M.	South West	648	\$187	\$3,169	16.95
Winkler, City	South Central	9,106	\$151	\$94,719	795.55
Winnipeg Beach, Town	Interlake	1,017	\$162	\$15,360	138.33
Winnipeg, City	Winnipeg	633,451	\$118	\$5,204,087	42,530.84
Winnipegosis, Village	North West	628	\$187	\$4,347	23.25
Woodlands, R.M.	Interlake	3,562	\$162	\$8,318	51.34
Woodworth, RM	South West	890	\$187	-	no claims rec'd
Total				\$8,737,354	68,808.67

By-Material Recovery of Eligible Materials

On average, Manitobans recycled approximately 58.8 kilograms per person (68,809,000 kgs/1,170,300 population in 2006) through local community recycling programs.

**Chart 4 —
By-Material Recovery**

Eligible Material	Total Recycled 2006/2007 (Kg's)	Total Recycled 2007/2008 (Kg's)	Change from Previous Year (Kg's)	Average Kgs Recycled Per Manitoban 2007/2008 (2006 pop. = 1,170,300)
Newspapers, Magazines, Flyers & Telephone Directories	34,747,628	36,460,354	1,712,726	31.15
Corrugated Cardboard	9,148,516	9,701,547	553,031	8.29
PET Plastics	2,162,710	2,403,418	240,708	2.05
4, 5, & 7 Rigid Plastics	905,960	1,091,802	185,842	0.93
Glass Containers	5,430,166	5,779,403	349,237	4.94
Boxboard	5,496,882	5,841,826	344,944	4.99
Aluminum Cans	926,459	1,035,668	109,209	0.88
Metal Cans	2,567,909	2,792,798	224,889	2.39
Polycoat & Aseptic Containers	1,065,067	1,170,420	105,353	1.00
HDPE Containers	2,314,866	2,531,434	216,568	2.16
Total Eligible Materials	64,766,163	68,808,670	4,042,507	58.80

IMPORTANT NOTES: Although MPSC requires that participating municipalities report by-material, caution must be used in interpreting the by-material weights provided.

1. Oftentimes materials are collected, processed and sold mixed together (commingled). This represents a challenge to determining precise by-material weights. For example, all rigid plastics (#2, #4, #5 and #7) are sometimes marketed together. In other cases, #2 plastics are marketed separately from the others.
2. Individuals may bring newspapers, magazines and other periodicals home from other sources (offices) for recycling resulting in higher recovery than just what is considered residential waste.
3. Recovery numbers reported by the MPSC include only those materials which are recycled through registered local recycling programs in participating communities. Manitoba also has many active charity-based organizations and individuals that collect recyclable materials for sale directly to brokers. The amount of material recycled through such activities is unknown at this time, but it is estimated to be substantial. This is most apparent in the recovery of aluminum beverage containers. In previous years, a third party study conducted on behalf of MPSC estimated the total annual recovery rate for beverage containers to be above 60%.
4. MPSC has capped the amount of corrugated cardboard (OCC) that it will fund as a mechanism for capping its financial exposure to unknown amounts of corrugated cardboard generated in the province's commercial/institutional sector. The OCC amount shown in the table includes all OCC collected and reported by participating municipal recycling programs, whether from households or other sources.

MPSC offers communities more than financial support. Participating communities also have access to tools designed to help their local recycling programs become more effective and cost-efficient.

You can find out more by visiting our website at www.mpsc.com.

Other MPSC Programming

MPSC provides support to Manitoba Municipalities via various means to assist Municipalities with establishing and maintaining viable and successful recycling programs. MPSC's support systems and tools cover the areas of promotion, education, markets and technical information. Listed below is a synopsis of the assistance we provide.

- **Monthly bulletin** – a regular monthly bulletin is distributed to municipalities and recyclers. The bulletin details relevant information about programs, events, new initiatives and other information that may be of interest to our stakeholders. Since 2004 the bulletin is mainly distributed via email.
- **Community Recycling Reports** – are distributed to participating municipalities in the Fall of each year. These reports assist municipalities to monitor the success of their recycling programs and to set goals for their community. A grading system is used to give municipalities a straightforward way to evaluate their community recycling program.
- **Poster campaign** – in early 2008 MPSC created posters targeted at encouraging recycling. Over 1,800 posters were distributed to participating municipalities.
- **www.mpsc.com** – MPSC's corporate website contains up-to-date information on MPSC activities, a 5-step guide to promoting a local recycling program, market and technical information as well as a dedicated page to each participating municipality (whereby municipalities can download their current recycling claim form and access current and past report cards).
- **Recycled products display** – MPSC has three Recycled products displays containing various household materials that have been recycled into new products (eg's: shirts made from recycled plastics). The displays are available for loan to any municipality wishing to use it.
- **Annual Reports** – Each year MPSC produces an annual report that provides information and financial results pertaining to our activities from the previous year.
- **Markets Directory** – MPSC collects and maintains a comprehensive list of available recycling markets. Municipalities and recycling agents can request assistance with evaluating the best net revenue for their recyclables. The MPSC monitors market revenues for all MPSC eligible materials on a regular basis.



"Thank you for loaning us this (Recycled products) display. The 4-H children, their parents and the general public enjoyed it very much! Thanks,"
Bill Crocker.

- **Cost Monitoring Study** – MPSC surveys all Manitoba communities annually in order to provide MPSC with information on municipal recycling program costs. Participation is mandatory and the information collected is used to calculate Municipal Recycling Support Payments (MRSP). The data collected provides information on best practices and also identifies communities that will be offered technical assistance to improve performance.
- **Revenue Monitoring** – MPSC monitors municipal recycling revenues in Manitoba on a monthly basis. Recycling revenues this past year were strong and fairly consistent. Last year the sale of recyclables generated between five and six million dollars in revenues. There are many factors that affect recycling revenues and it's difficult to predict future values of recyclables. However, it is safe to assume that recycling markets won't disappear any time soon. In fact it can be stated that recycling markets are now an important part of both local and global economies.
- **One-on-one support** – On an as needed basis the MPSC provides assistance to municipalities that require help with a specific issue(s).

Stewards Programs

"A steward of beverage containers shall pay a WRAP levy at the rate of 2 cents per container that contained a beverage that is supplied by the steward for consumption in Manitoba"

*Source: The Waste Reduction and Prevention Act
(C.C.S.M c. W40)*

*Manitoba Regulation 39/95 Multi-Material Stewardship
(Interim Measures) Regulation*



Stewards of Designated Materials

In Manitoba, companies supplying non-deposit, ready to serve beverage containers are required to obtain a Product Steward License under the Multi-Material Stewardship (Interim Measures) Regulation (39/95) requires. The Regulation also requires Product Stewards to register, report containers supplied and remit a 2¢ WRAP Levy on all non-deposit, ready-to-serve beverage containers supplied in Manitoba to the Manitoba Product Stewardship Corporation.

One hundred and one companies were licensed as Product Stewards of beverage containers with the MPSC during the 2008 Program Year. During the 2007/2008 Manitoba Product Stewardship Program Year, over \$8.8 million in 2¢ WRAP Levies* were remitted to the MPSC.

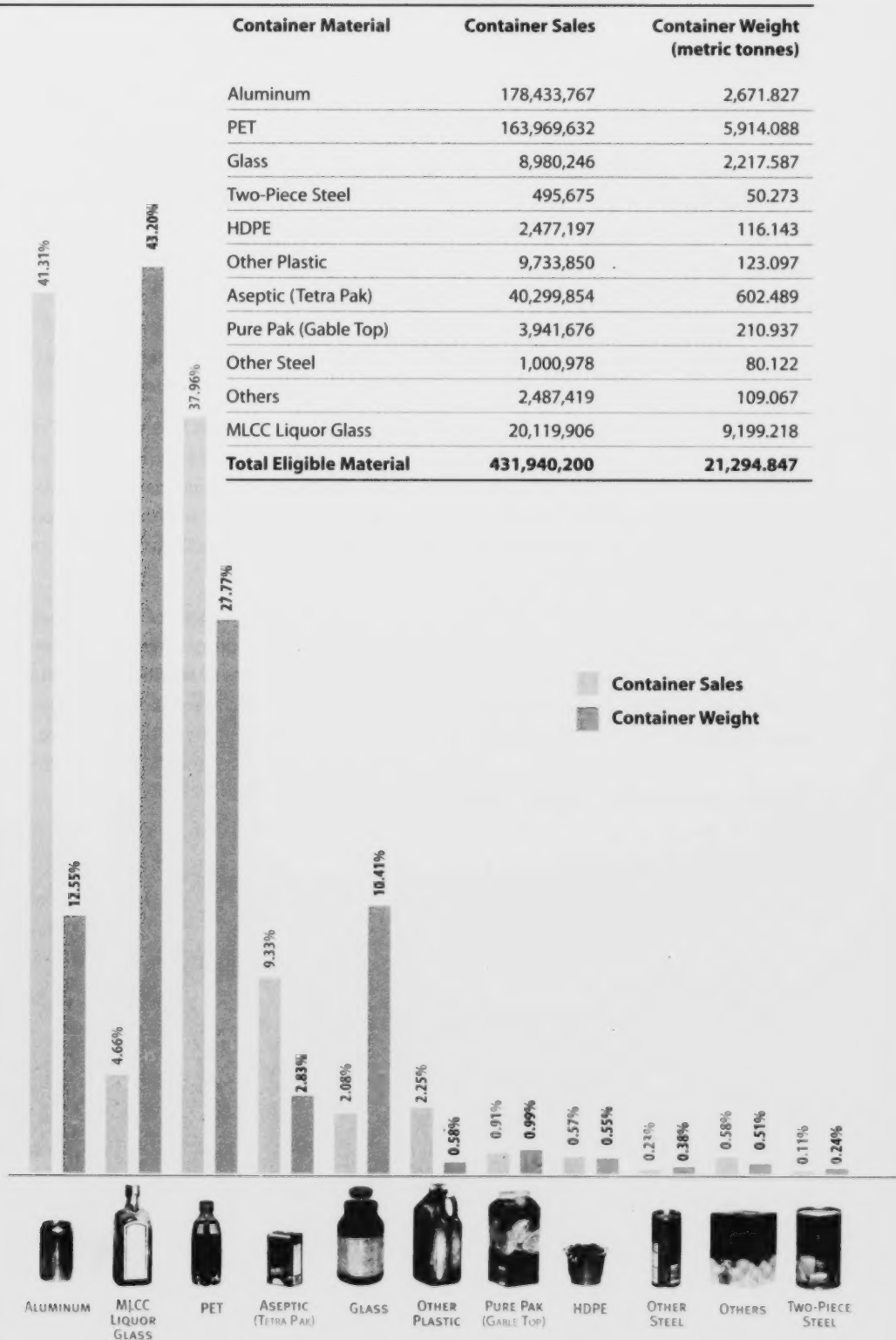
The 2¢ WRAP Levy is only applicable on beverage containers supplied in Manitoba. The Credit Program area of the MPSC is a mechanism whereby Licensed Product Stewards may apply for reimbursement of WRAP Levies for Out of Province sales of applicable materials. The Credit Program also addresses such occasions of double remittances and over remittances on applicable materials. Product Stewards applied for and received over \$257,000* for qualifying credits during the 2008 Program year.

Compliance Review procedures, performed on a rotating schedule, are part of the compliance/enforcement area of the Stewards Program. All compliance review procedures are performed by an independent, 3rd party organization to maintain confidentiality of sensitive sales information. The Compliance Review program area progressed with field reviews of 10 product stewards during the 2007/2008 program year. Product Steward Compliance Surveys were issued to the remaining applicable companies. Periodic in-store monitoring is also performed to ensure that applicable materials are properly registered with the MPSC.

*Figures are based on numbers before accrual for late reporting of levies and provisions under the MPSC Credit Program.

**During the 2007/2008
Manitoba Product
Stewardship Program
Year, over \$8.8 million
in 2¢ WRAP Levies*
were remitted to the
MPSC**

**Chart 5 — 2007/2008
2¢ WRAP Levy Beverage
Containers Supplied in
Manitoba**



Financial Statements

March 31, 2008



AUDITORS' REPORT

To the Board of Directors of
Manitoba Product Stewardship Corporation

We have audited the balance sheet of **Manitoba Product Stewardship Corporation** as at March 31, 2008 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Ernst & Young LLP

Winnipeg, Canada,
May 29, 2008

Chartered Accountants

Manitoba Product Stewardship Corporation
Incorporated under the laws of Manitoba

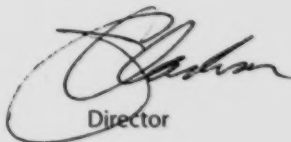
BALANCE SHEET

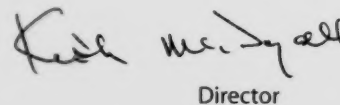
As at March 31

	2008 \$	2007 \$
ASSETS		
Current		
Cash and cash equivalents [note 4]	2,022,758	2,820,897
Interest receivable	10,960	13,080
Levies receivable	849,897	844,986
Prepaid expenses and deposits	12,468	12,379
Total current assets	2,896,083	3,691,342
Cash and cash equivalents [restricted] [note 2[d]]	300,000	—
Capital assets, net [note 5]	17,694	22,485
	3,213,777	3,713,827
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	118,528	72,070
Recycling support payments payable	1,554,466	1,489,156
Total current liabilities	1,672,994	1,561,226
Net assets		
Invested in capital assets	17,694	22,485
Internally restricted	300,000	—
Unrestricted	1,223,089	2,130,116
Total net assets	1,540,783	2,152,601
	3,213,777	3,713,827

See accompanying notes

On behalf of the Board:


Director


Director

STATEMENT OF OPERATIONS

Year ended March 31

	2008 \$	2007 \$
REVENUE		
Beverage levy	8,895,689	8,749,251
Levy rebates	(257,848)	(283,522)
Interest	116,982	131,519
	8,754,823	8,597,248
EXPENSES		
Programs		
Municipal		
Recycling support payments to municipalities	8,737,354	7,842,306
Municipal support	74,915	38,637
	8,812,269	7,880,943
Steward		
Compliance of WRAP Act	39,159	61,259
Corporation promotion/partnerships		
Advertising and promotion	7,023	3,568
Partnerships/sponsorships	5,000	5,000
	12,023	8,568
	8,863,451	7,950,770
Administrative expenses [schedule]	503,190	592,669
	9,366,641	8,543,439
Net income (loss) for the year	(611,818)	53,809

See accompanying notes

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

2008				
	Invested in capital assets \$	Internally restricted \$	Unrestricted \$	Total \$
Balance, beginning of year	22,485	—	2,130,116	2,152,601
Net loss for the year	(6,857)	—	(604,961)	(611,818)
Purchase of capital assets	2,066	—	(2,066)	—
Allocation of amounts to cover wind-up [note 2[a]]	—	300,000	(300,000)	—
Balance, end of year	17,694	300,000	1,223,089	1,540,783

2007				
	Invested in capital assets \$	Internally restricted \$	Unrestricted \$	Total \$
Balance, beginning of year	16,874	—	2,081,918	2,098,792
Net income (loss) for the year	(6,931)	—	60,740	53,809
Purchase of capital assets	12,542	—	(12,542)	—
Balance, end of year	22,485	—	2,130,116	2,152,601

See accompanying notes

STATEMENT OF CASH FLOWS

Year ended March 31

	2008 \$	2007 \$
OPERATING ACTIVITIES		
Net income (loss) for the year	(611,818)	53,809
Add item not involving cash		
Amortization	6,857	6,931
	(604,961)	60,740
Changes in non-cash working capital balances related to operations		
Interest receivable	2,120	(2,499)
Grant receivable	—	58,331
Levies receivable	(4,911)	(99,658)
Prepaid expenses and deposits	(89)	470
Accounts payable and accrued liabilities	46,458	(11,990)
Recycling support payments payable	65,310	(89,996)
Cash used in operating activities	(496,073)	(84,602)
INVESTING ACTIVITIES		
Purchase of capital assets	(2,066)	(12,542)
Cash used in investing activities	(2,066)	(12,542)
Net decrease in cash and cash equivalents during the year	(498,139)	(97,144)
Cash and cash equivalents, beginning of year	2,820,897	2,918,041
Cash and cash equivalents, end of year	2,322,758	2,820,897
Cash and cash equivalents consists of		
Unrestricted	2,022,758	2,820,897
Restricted	300,000	—
	2,322,758	2,820,897

NOTES TO FINANCIAL STATEMENTS

March 31

1. NATURE OF ORGANIZATION

Manitoba Product Stewardship Corporation ["MPSC"] was established under the Waste Reduction and Prevention Act ["WRAP"] – Multi-Material Stewardship (Interim Measures) Regulations [the "Regulations"] with the following objectives:

- [a] To establish and administer a waste reduction and prevention program for designated materials for Manitoba;
- [b] To provide for the effective, efficient and economical management of waste designated materials; and
- [c] To administer the Multi-Material WRAP Fund.

The Multi-Material WRAP Fund is an industry-operated fund which provides for, among other initiatives, recycling support payments to municipal and local governments for eligible materials recovered from residential waste and delivered to an approved recycling facility. The Fund is currently funded by the collection of levies on beverage containers supplied by a steward of beverage containers to be consumed in Manitoba. MPSC is exempt from income tax under Section 149 of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Going concern considerations

A Special Operating Agency has been established by the Government of the Province of Manitoba, called Green Manitoba. The Province of Manitoba and its Special Operating Agency, Green Manitoba, have announced their intention of transitioning the government's approach to multi-material handling to an Industry Funding Organization ["IFO"], Multi Material Stewardship Manitoba. There have been no transactions between MPSC and this entity. Three of the ten Directors of MPSC are also Directors of Multi Material Stewardship Manitoba. The wind-up of MPSC is subject to legislative approval, but it is uncertain when this will occur. The potential impact of the wind-up of the operations of MPSC is currently estimated as outlined in note 2[d] and the board and management have internally restricted net assets and designated cash to cover this amount which is recorded as restricted cash and cash equivalents. As the legislation has not yet been passed, these wind-up costs have not been accrued in these financial statements.

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles on a going concern basis, which presumes MPSC will realize its assets and discharges its liabilities in the normal course of operations. The financial statements do not give effect to any adjustments to the classification and carrying values of assets and liabilities that might be necessary should MPSC be unable to continue its operations as a going concern.

[b] Levy revenue and recycling support payments to municipalities

Levy revenue is charged on all non-deposit [excluding dairy] beverage containers supplied for consumption in Manitoba, subject to certain exemptions, by a Product Steward. Pursuant to the Regulations, a Product Steward is defined as the first person or business in Manitoba who, in the course of business, supplies beverages in containers to another person or business. Beverage levy revenue is recognized based on

NOTES TO FINANCIAL STATEMENTS

March 31

revenue as reported by the Product Stewards to MPSC, and when the amount is received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Product Stewards are eligible for credits if the beverage containers on which levies have been previously paid were supplied to consumers outside of Manitoba or if the levies are inadvertently paid by two Product Stewards on the same beverage containers. Levies are collected and credits are paid based on self assessments as reported by Product Stewards.

Recycling support payments to municipalities are paid to registered Manitoba municipalities based on the tonnage of eligible materials delivered to an approved recycling facility as reported by the municipalities to MPSC.

[c] Cash and cash equivalents

Cash and cash equivalents are recorded at fair value and include cash and short-term investments with maturities at the date of purchase of up to three months.

[d] Cash and cash equivalents (restricted)

Cash and cash equivalents [restricted] consist of funds held for approximate costs expected to be incurred upon wind-up of MPSC. The timing of the wind-up is subject to legislative approval.

Cash and cash equivalents [restricted] are recorded at fair value and include cash and short-term investments with maturities at the date of purchase of up to three months.

[e] Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided for by the following annual rates and methods:

Furniture and fixtures	20% declining balance
Computer hardware	30% declining balance
Computer software	100% straight-line

[f] Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

[g] Financial risk management

It is management's opinion that MPSC is not exposed to significant interest, currency or credit risks arising from its financial instruments. Due to their short-term maturity, the fair value of MPSC's financial instruments approximates their carrying value unless otherwise stated.

NOTES TO FINANCIAL STATEMENTS

March 31

3. CHANGES IN ACCOUNTING POLICIES

Effective April 1, 2007, MPSC adopted the Canadian Institute of Chartered Accountants ["CICA"] Handbook Section 3855, "Financial Instruments – Recognition and Measurement", Handbook Section 3861, "Financial Instruments - Disclosure and Presentation" and Handbook Section 1506, "Accounting Changes".

Section 1506 requires that voluntary changes in accounting policies are made only if they result in the financial statements providing reliable and more relevant information. Additional disclosure is required when the entity has not yet applied a new primary source of Canadian generally accepted accounting principles that has been issued but is not yet effective, as well as when changes in accounting estimates and errors occur. The adoption of this revised standard had no material impact on MPSC's financial statements for the year ended March 31, 2008.

The principal changes in the accounting for financial instruments due to the adoption of these sections relate to the recognition, measurement, disclosure and presentation of financial assets and financial liabilities. The new standard prescribes when to recognize a financial instrument in the balance sheet and at what amount. Depending on the balance sheet classification, fair value or cost-based measures are used. Under the new standards, all financial instruments are classified into one of the following five categories: held-for-trading, held-to-maturity investments, available-for-sale financial assets, loans and receivables, and other financial liabilities. This standard also prescribes the basis of presentation for gains and losses on financial instruments. Based on financial instrument classification, gains and losses are recognized in net income (loss).

MPSC's financial assets and financial liabilities are measured as follows:

- Cash and cash equivalents are classified as held-for-trading and measured at fair value. The gains or losses arising on the revaluation at the end of the year are included in net income (loss);
- Interest receivable and levies receivable are classified as loans and receivables and recorded at cost, which upon their initial measurement is equal to their fair value. Subsequent measurements are recorded at amortized cost using the effective interest rate method; and
- Accounts payable and accrued liabilities, and recycling support payments payable are classified as other financial liabilities and are initially measured at their fair value. Subsequent measurements are recorded at amortized cost using the effective interest rate method.

The adoption of these standards was done retroactively without restatement of the financial statements for prior years and had no impact on the financial statements.

4. CASH AND CASH EQUIVALENTS

Included in cash and cash equivalents are term deposits, held in trust by the Department of Finance of the Province of Manitoba of \$1,083,006 [2007 - \$1,040,476]. The term deposits bear interest at 3.50% [2007 - 4.10%] per annum and mature on April 28, 2008.

NOTES TO FINANCIAL STATEMENTS

March 31

5. CAPITAL ASSETS

Capital assets consist of the following:

	2008			2007		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
	\$	\$	\$	\$	\$	\$
Furniture and fixtures	26,405	22,131	4,274	26,405	21,063	5,342
Computer hardware	94,734	81,794	12,940	93,628	76,485	17,143
Computer software	150,447	149,967	480	149,487	149,487	—
	271,586	253,892	17,694	269,520	247,035	22,485

6. LEASE COMMITMENTS

MPSC rents office space and equipment under various leases with commitments totalling \$53,873 for fiscal 2009.

7. FUTURE ACCOUNTING PRONOUNCEMENTS

Section 1535, "Capital Disclosures", establishes standards for disclosing information about an entity's capital and how it is managed and is effective for fiscal years beginning on or after October 1, 2007. MPSC does not expect this section to have an impact on the financial statements. Section 3862, "Financial Instruments – Disclosures", and Section 3863, "Financial Instruments – Presentation", replace the existing Section 3861, "Financial Instruments – Disclosure and Presentation", and are required to be implemented for fiscal years beginning on or after October 1, 2007. The new standards enhance and expand disclosure standards to complement the changes in accounting policies adopted in accordance with Sections 3855 and 3861. These new standards relate to disclosure only and will not impact the financial results of MPSC.

SCHEDULE OF ADMINISTRATIVE EXPENSES

Year ended March 31

	2008	2007
	\$	\$
Amortization	6,857	6,931
Board members' expenses	3,269	1,209
Communication	9,053	11,283
Contract financial management	55,462	53,927
Equipment, leasing, repairs and maintenance	4,448	7,239
Insurance	15,894	15,196
Office	20,247	32,902
Professional fees	18,673	20,040
Promotion	1,196	2,606
Rent	49,907	50,274
Salaries, wages and benefits	310,732	383,527
Subscriptions	6,597	6,365
Travel and automotive	855	1,170
	503,190	592,669

See accompanying notes

BOARD OF DIRECTORS & STAFF

At March 31st, 2008

Board

John Clarkson (Chair)	<i>Science, Technology, Energy and Mines</i>
Rudy Redekop (Sec-Treasurer)	<i>Publishing/Printing Industry</i>
Neil Antymis	<i>Beverage Industry</i>
Keith McDougall	<i>Retail Sector</i>
Melvin Klassen	<i>Association of Manitoba Municipalities</i>
Randy Sigurdson	<i>Association of Manitoba Municipalities</i>
J. Dan McInnis	<i>City of Winnipeg</i>
Justin Sherwood	<i>Distributors</i>
Jim Ferguson	<i>Green Manitoba</i>
John Sinclair	<i>Consumers</i>

Staff

Jim Fogg	<i>General Manager</i>
Michael Fernandes	<i>Senior Manager, Municipal Programs</i>
Darryl Nicholson	<i>Steward Programs</i>
Gina Borkofski	<i>Municipal Systems Coordinator</i>
Liisa Stewart	<i>Administrative Assistant</i>

How This Report Was Made

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Manitoba
Product Stewardship
Corporation

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